

**WASHINGTON, D.C.** – Congresswoman Loretta Sanchez (CA-47) today voted to create jobs and encourage economic growth by investing in the backbone of America's economy: small businesses. H.R. 4849, the Small Business and Infrastructure Jobs Tax Act, would provide crucial tax cuts for small business investors, increase the deduction for business start-up expenditures, and finally end a tax penalty that has had a disproportionate impact on small firms.

"Our economic recovery will be largely dependent on smart investments in America's small businesses," said Rep. Sanchez. "This bill will help local entrepreneurs start, build, and grow their businesses and, in the process, strengthen Orange County's economy. It's a surefire way to create new jobs and new opportunities here at home."

In order to spur investment in small businesses, the Small Business and Infrastructure Jobs Tax Act would increase the capital gains tax cut for those who invest in small firms in 2010. Specifically, the bill would exclude 100% of capital gain income for stock in small business purchased from March 15, 2010 through January 1, 2011, thereby infusing small firms with the capital they need to grow and hire more workers.

To encourage more individuals to start their own businesses, the bill would allow entrepreneurs to deduct up to \$20,000 in start-up expenditures (excluding capital and equipment) and expand the number of businesses eligible for this deduction. It would also make tax penalties for businesses that fail to disclose reportable transactions proportionate to the tax savings created by the omission. In the past, some businesses were assessed tax penalties as high as \$300,000 per year for receiving a tax benefit as little as \$15,000 from an unreported transaction.

In addition to its provisions for small businesses, the Small Business and Infrastructure Jobs Tax Act would extend the highly-successful Build America Bonds (BABs) program to make it cheaper for state and local governments to finance the rebuilding of schools, sewers, hospitals, and transit projects. It would also extend the TANF Emergency Fund that states like California are using to subsidize employers who hire unemployed workers. California has already received over \$415 million through the Recovery Act TANF Emergency Fund. This Fund is currently on track to put over 160,000 Americans back to work, many of them right here in California.

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